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FM AMEMBASSY DILI  
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INFO ASEAN MEMBER COLLECTIVE  
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UNCLAS DILI 000173

STATE FOR EAP/MTS AND H

E.O. 12958: N/A

TAGS: [PGOV](#) [PREL](#) [EPET](#) [EFIN](#) [PHUM](#) [TT](#)

SUBJECT: HOUSE DEMOCRACY ASSISTANCE COMMISSION VISITS DILI

¶1. SUMMARY: Six U.S. Congressmen led a delegation from the House Democracy Assistance Commission (HDAC) on a visit to Timor-Leste July 2-4. HDAC members and staffers engaged with Timorese leaders, held a day-long training session at the National Parliament, and visited a rural district. Timorese officials underscored the continued fragility of Timor's governing institutions, particularly the legislature, and expressed continued appreciation for HDAC's assistance. END SUMMARY.

PRESIDENT RAMOS-HORTA TOUTS PETROLEUM FUND, ASKS FOR RETURN OF PEACE CORPS

¶2. President Ramos-Horta thanked the delegation for visiting Dili and praised the United States Congress for its long-term support to Timor-Leste, dating back to Senator Harkin's draft resolution rebuking the Indonesian occupation in 1975. Congressman Price congratulated President Ramos-Horta on his recovery from the 2008 assassination attempt and thanked him for his personal leadership and commitment to democracy. He noted that Timor-Leste is one of the most enthusiastic HDAC partners and pledged continued engagement between the Commission and the National Parliament.

¶3. Several Members inquired about the use and sustainability of the government's special petroleum fund as a vehicle for development in Timor-Leste. President Ramos-Horta boasted that the fund was rated as one of the best managed in the world by Freedom House and would be used to support the government's investment priorities: infrastructure, education and health. However, Bayu Undan is the only site currently under production and Timor-Leste is negotiating the terms of the unexploited Greater Sunrise natural gas field between Timor and Australia. Ramos-Horta acknowledged disagreement with Australia over whether to send the Sunrise pipeline to existing facilities in Darwin, Australia or to the underdeveloped southern Timor-Leste coast. President Ramos-Horta argued forcefully that directing the pipeline to Timor-Leste would create desperately needed jobs, spur economic growth in southern Timor-Leste, and still be profitable for all parties involved.

¶4. Congressman McDermott asked if President Ramos-Horta if he had considered a possible return of the Peace Corps and whether English Language training might be a part of their mandate. Ambassador confirmed that Timorese formally requested the return of the Peace Corps earlier this year. Ramos-Horta enthusiastically added that he would be happy if "the Peace Corps did nothing more than English Language training in Timor-Leste." Congressman Price reported that the House had recently authorized a major expansion of the Peace Corps.

OPPOSITION DECRIES GOVERNMENT'S APPROACH BUT DOWNPLAYS POLICY DIFFERENCES

¶5. Dr. Mari Alkatiri, former Prime Minister and Secretary-General of the opposition Fretelin party, criticized

the lack of inclusiveness of Prime Minister Xanana Gusmao's government and characterized President Ramos-Horta's main role as being "the opposition to the opposition." Alkatiri again questioned the constitutionality of the government, adding that the government's corruption was further undermining its legitimacy. Fretelin was a constructive opposition, Alkatiri argued, because it rejected violence and was willing to challenge government actions in court. Alkatiri emphasized Fretelin's agreement with many of the government's foreign policies, however, including pursuing ASEAN membership in the medium-term, the need to maintain good relations with Indonesia and Australia while also resolving outstanding territorial issues, and the desire to phase down the UN presence by 2012.

#### UN: INSTITUTIONAL DEVELOPMENT KEY TO SUPPORTING DEMOCRACY

¶16. Special Representative of the UN Secretary General Atul Khare and his team briefed the delegation on UN activities in Timor-Leste. Khare admitted that before 2006 the UN had primarily been focused on maintaining stability, but had broadened its efforts over the last two years to include developing institutional capacity - a key to supporting democracy in Timor-Leste. Khare pointed to the "smooth" transition to a second democratically-elected president as a key indicator of success, but that less attention has been spent on what to do between elections. In response to questions posed by the congressmen, Khare noted that the goal now is to develop capacity so that elected institutions can deliver public goods and conduct the next elections without international assistance.

Khare emphasized, however, that he sees a need for a UN presence until the 2012 elections, albeit with appropriate reductions in the cost and scope of the mission each year. During that period the UN will gradually hand over responsibilities to local institutions while maintaining a presence to "observe" performance, something Khare likened to giving a novice driver a driver's permit while riding with them in the vehicle.

#### LEGISLATOR-TO-LEGISLATOR ENGAGEMENT AT PARLIAMENTARY SESSION

¶17. The delegation was invited to speak at a plenary ceremony of the National Parliament and meet with parliamentary committees on July 3. The visit to the parliament began with a brief tour of the Parliamentary Library which had been established with financial and technical assistance from HDAC. Following the tour, President (i.e., Speaker) of the National Parliament Lasama welcomed and introduced the delegation, each congressman spoke briefly, the representatives of each of the political parties represented in parliament made brief statements, and the delegation and Timor-Leste parliamentarians exchanged views on the roles of the legislature. In the afternoon, each congressman spent time with separate parliamentary committees and engaged in more detailed discussions with individual parliamentarians about the challenges facing the Timor-Leste parliament, including parliamentary oversight responsibilities in the areas of anti-corruption and infrastructure development. Two final concurrent sessions brought together local parliamentarians with delegation members to discuss budget analysis and security sector oversight.

#### PROVINCIAL TRIP HIGHLIGHTS U.S.-SUPPORTED COFFEE PROGRAM

¶18. In the rural district of Maubisse, the delegation was feted with a traditional welcome ceremony and toured the Timor-Leste Coffee Cooperative (CCT). CCT was initiated with USAID funding in 1994, has been self-sufficient since 2005 and now supports over 23,000 families throughout the country with 12 million USD in annual sales last year. The congressmen were impressed with the success of the project and wondered if it might be replicated elsewhere as a model of economic growth. In the afternoon, the delegation participated in a joint town hall meeting with Members of Parliament and fielded questions from traditional community leaders.

#### STAFF PROGRAM FOCUSES ON RESEARCH CAPACITY

¶19. Congressional staffers, researchers from the Congressional Research Service (CRS), and librarians from the Library of

Congress (LOC) participated in a separate schedule during the delegation's visit to Timor-Leste. The staffers and researchers held meetings with the Chief of Staff for the Speaker of Parliament, the Director of the Parliamentary Research Center, and the representative from the Asia Foundation, which is currently managing the USAID-funded project to build Parliamentary capacity through the research center. The topics discussed included the status of the Parliament's modernization efforts, the scope of the HDAC program to create a functioning research service, and the level of training and research for Parliamentary staffers. The librarians and researchers also conducted training sessions with researchers and librarians from the Parliament Research Center on information research services, library services, and legislative analysis. Research staffers even came in on a Saturday to take advantage of the CRS and LOC expertise provided. The staffers also met with former Prime Minister and current Member of Parliament Estanislau da Silva who explained the importance of the research center for Parliamentary development and the desire to obtain training for the Members of Parliament who sparingly use the center. Congressional staffers from the Rules Committee also held a side session with the President of Timor's Internal Rules Commission at the request of Parliament to explain the importance of internal rules for the proper functioning of a legislative body.

¶10. The HDAC delegation consisted of Chairman David Price, Rep. Jim McDermott, Rep. Jim Cooper, Rep. Bob Etheridge, Rep. Vern Buchanan, and Rep. Phil Gingrey. HDAC approved this message.

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